

**OFFICIAL MINUTES
STATE BOND COMMITTEE
December 14, 2013**

A meeting of the State Bond Committee was held at 2:30 p.m. on December 14, 2013 at the Department of Revenue, Commissioner's Conference Room, Juneau, Alaska.

State Bond Committee Members present in Juneau were:

Angela Rodell, Deputy Commissioner, Department of Revenue
Michael Barnhill, Deputy Commissioner, Department of Administration

State Bond Committee Members present telephonically were:

Daniel Patrick O'Tierney, Deputy Commissioner, Department of
Commerce, Community & Economic Development

Also present in Juneau were:

Deven Mitchell, Debt Manager, Department of Revenue
Ryan Williams, Department of Revenue
Pat Forgey, Associated Press

Also present telephonically were:

Kerry Salas, K & L Gates
Cynthia Weed, K & L Gates
Noreen White, Acacia Financial
Pete Nissen, Acacia Financial
Ben Selberg, CitiGroup
Dana Bunting, Goldman Sachs
Paul Bloom, Goldman Sachs
Brian Olin, Goldman Sachs

I. Call to Order

Mr. O'Tierney called the meeting to order at 2:37 p.m. AST.

II. Roll Call

Mr. Mitchell took roll call. Ms. Rodell, Mr. Barnhill and Mr. O'Tierney were present.

III. Public Meeting Notice

A copy of the Advertising Order and Affidavit of Publication concerning the date, location, and purpose of the meeting were reviewed and made a part of the minutes of the meeting. Mr. Mitchell stated the meeting notice was advertised in the State's Online Public Notice.

IV. Approval of Agenda

Mr. O'Tierney asked that the agenda be modified to move current agenda item B to agenda item A, and move current agenda item A to agenda item B. Mike Barnhill moved approval of the Agenda with the modification and Ms. Rodell seconded. The motion was adopted without objection.

V. Minutes of October 8, 2012

The minutes were approved without objection.

VI. Public Comment

Mr. O'Tierney asked for public participation and comment. There was none.

VII. New Business

Resolution 2012-04

Mr. Mitchell described the documents contained in the committee members' packets including Resolution 2012-02, a draft of the preliminary official statement and, a summary of 2013 general obligation bond structuring alternatives. Mr. Mitchell noted that the resolution delegated authority to approve the terms and conditions of the remaining authority for the 2010 educational authority of approximately \$196 million plus an additional \$200 million related to the 2012 transportation authority approved this November 6. Ms. Weed emphasized the legal delegations and authority that the Resolution conveyed. After discussion the Committee determined that the authority related to the 2012 transportation authority should be stripped from the Resolution. Ms. Weed went through the Resolution and identified all required modifications. Mr. Barnhill moved approval of 2012-04 as amended to delete the authority related to the 2012 authorization, amend the Resolution further to the extent any required amendment to delete the 2012 transportation authority was overlooked, and proceed under the structuring alternative where bonds were amortized from 2015 to 2026 for the series B tax exempt bonds and the Qualified School Construction Bond was placed as far down the yield curve as possible. Ms. Rodell seconded the motion. The motion was carried with three yes votes.

Ratification of October 8, 2012 State Bond Committee Meeting Actions

Mr. Mitchell explained that there had been an inadvertent error in the public notice for the October 8, 2012 State Bond Committee Meeting. The public notice that was posted indicated that the meeting would be held on October 1, 2012. After consulting with the Department of Law it was determined that the actions of the October 8, 2012 meeting were valid, but that in order to provide for the opportunity for public testimony the actions should be ratified at the next opportunity. This decision was predicated upon the fact that no interested party showed up on October 1, 2012 for the improperly noticed meeting time, and that even if an interested party attends a meeting they are only allowed the opportunity to provide public testimony. Ms. Rodell moved that the Committee's actions of the October 8, 2012 meeting be ratified. Mr. Barnhill seconded the motion. The motion was carried with three yes votes.

Debt Manager's Report

Mr. Mitchell reported on the following items:

The Clean Water and Drinking Water bond anticipation notes in the amounts of \$1,691,000 and \$1,802,000 respectively were issued on November 19, 2012 and redeemed on November 20, 2012. There were no issues with accomplishing the transaction.

The Department of Fish and Game requested to lease purchase a \$200,000 twin engine plan for work conducted on Kodiak Island using the Master Lease Line of Credit. While KeyBank originally indicated that this would be possible, they denied the funding at the stage of underwriting. I am currently working with Fish and Game to determine if there are any funding options available.

On November 5, I participated in meetings at KABATA's offices focused on obtaining a rating indication for the proposed project.

On November 7 and 8, Ms. Rodell and I accompanied Moody's analysts Ted Hampton and Emily Raimes to Deadhorse for a tour of certain North Slope facilities. Our trip included visits to Kuparuk, Alpine and Prudhoe Bay oil fields. The trip was very informative and gave the analysts a first hand vision of the level of investment and activity in the region.

I have been working with DOT and CCED to obtain project cash flows for the \$453 million of general obligation bond funded projects authorized in the November 6, 2012 election. I expect to have initial runs in December.

VIII. Committee Member Comments

There were none.

IX. Schedule Next Meeting

Mr. Mitchell indicated that the next meeting date will be at the call of the Chair.

X. Adjournment

The meeting was adjourned at 3:37 p.m..

Susan Bell, Commissioner
Department of Commerce and Economic Development
Chairman

ATTEST:

Bryan Butcher, Commissioner
Department of Revenue
Secretary